



# NEWS RELEASE

## Dividends to Albertans key to success of the Heritage Fund over longer-term

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For immediate release

**CALGARY**—If the government of Alberta wants to build the Heritage Fund over the longer term, it should start paying dividends to Albertans, finds a new study published today by the Fraser Institute, an independent non-partisan Canadian think-tank.

“The Alberta government has promised to ‘re-build’ the Heritage Fund, but it will require a consistent commitment over the long term,” said Tegan Hill, director of Alberta Policy at the Fraser Institute and co-author of *An Alberta Dividend: The Key to Growing the Heritage Fund*.

In 1976, the province established the Alberta’s Heritage Savings Trust Fund to save a share of the province’s resource revenues to provide ongoing benefits to Albertans. Since its creation, however, resource revenue contributions have only been made in 11 of 48 years of the fund’s existence and just 3.9 per cent of total resource revenue has been deposited to the fund over its lifetime.

Learning from Alaska’s success with its resource revenue savings fund—the Alaska Permanent Fund—the study proposes that Alberta should introduce a dividend to provincial residents to create public buy-in that generates political pressure to adhere to fiscal rules around the Heritage Fund’s operation—such as consistent resource revenue contributions and inflation-proofing of the fund’s principal—to ensure its growth over time.

For perspective, the Permanent Fund was started the same year as Alberta’s Heritage Fund but has grown to US\$78.0 billion in 2022/23—or C\$88.6 billion—compared to a balance of just C\$19.0 billion in Alberta’s Heritage Fund.

Using two alternatives based on Alaska, which includes mandatory 25 per cent resource revenue contributions and consistent inflation proofing of the fund’s principal, the Heritage Fund has the potential to pay each Albertan a total of \$571 to \$1,108 in dividends over the next three years—equivalent to \$2,284 to \$4,430 per family of four.

Under these rules, the Heritage Fund would be worth between \$35.8 billion and \$38.7 billion by 2026/27, while paying out between \$2.9 billion to \$5.5 billion in dividends to Albertans.

“As demonstrated in Alaska, by giving citizens an ownership share in the state’s resource fund, they demand that sound rules regarding the governance of the fund be adhered to.” said Hill.

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